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FOR IMMEDIATE RELEASE

Vibo Joins Tobacco Master Settlement Agreement

(Phoenix, Ariz. – August 23, 2004) Attorney General Terry Goddard announced that Vibo Corporation of Miami, Florida has joined the tobacco Master Settlement Agreement ("MSA") as a participating manufacturer. Vibo, also known as General Tobacco, sells a number of cigarette brands such as Bronco, GT One, Silver and Champion. Arizona's share of this agreement will be about \$25 million over the next 10 years under current market conditions.

Participating manufacturers under the MSA are bound by a number of restrictions on the advertising, promotion and marketing of cigarettes. The MSA also bans advertisements targeting youth, outdoor advertising, and distribution of any merchandise advertising a cigarette brand, and many other commitments related to eliminating youth access and tobacco use. Since the agreement took effect, youth smoking rates nationally have dropped by more than 25 percent and overall smoking has declined nearly 20 percent.

"This is a big win for Arizona's youth," Goddard said. "Vibo's decision to join the MSA is especially significant because the company represents the largest tobacco product manufacturer remaining outside the MSA. This requires some of the most popular cigarette brands to the payment obligations and other prohibitions set forth in the MSA."

Under this agreement, Vibo will make an immediate payment of \$78 million to the MSA States, and make full payment of its ongoing obligations in each succeeding year on a quarterly basis.

This agreement will be worth \$1.7 billion to all the States over the next ten years if the current market conditions continue. The MSA was originally entered into between 46 States and the major tobacco companies in November 1998. Since that time, more than 40 other companies have joined the MSA.

Please visit www.azag.gov for more information about Arizona's participation in the MSA.

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